

**NORTH CAROLINA'S
TEMPORARY ASSISTANCE
FOR
NEEDY FAMILIES**

STATE PLAN

P.L. 104-193

THE WORK FIRST PROGRAM

**NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF SOCIAL SERVICES**

***FFY 2004-2005
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WORK FIRST STATE PLAN

Temporary Assistance for Needy Families (TANF)

INTRODUCTION

North Carolina's TANF program, called Work First, is based on the premise that parents have a responsibility to support themselves and their children. Through Work First, parents can get short-term training and other services to help them become employed and self-sufficient, but the responsibility is theirs, and most families have two years to move off Work First Family Assistance. Work First emphasizes three strategies:

1. Diversion: Keeping families off welfare by helping them cope with unexpected emergencies or setbacks.

Under Work First, qualifying families can get a one-time payment equivalent to up to three months worth of cash Work First benefits, based on a needs assessment by the county worker, Medicaid, child care and Food Stamp benefits, if eligible, and other supportive services.

2. Work: Shortening the length of time that families are on Work First Family Assistance by making work mandatory and by limiting how long a family can receive cash assistance.

To receive Work First Family Assistance benefits, parents must register with the First Stop Employment Assistance Program, sign a Mutual Responsibility Agreement (MRA) and, once they move into the work components of the program, they can continue to receive benefits for up to 24 months. In most cases, families who have reached the 24-month limit cannot receive Work First Family Assistance for three years.

3. Retention: Helping families to stay off public assistance by encouraging them to save and by helping to make sure they really are better off working than on welfare.

Work First increased limits on savings and vehicles, and the state legislature raised income eligibility limits for subsidized child care to ease the burden on low-income, working families. To help families stay employed, counties are also providing services, such as transportation, to families whose income is at or below 200 percent of poverty.

Ultimately, North Carolina's goal is to help all families move to self-sufficiency. Most will make it all the way; some, because of hardship or disability, will have a harder time.

North Carolina's success thus far at helping families move from cash assistance to work has led to a broadened focus for the Work First Program. No longer is the focus just on helping those families who receive cash assistance move off the rolls. While we remain committed to continuing our assistance to those families, we have added the flexibility and program structure for counties to provide former Work First families with job retention and child and family enrichment services designed to help ensure families' long-term success. Further, since child support is critical to ensuring families' success, we have expanded the Work First Program to allow counties to provide work-related services to non-custodial parents of Work First children.

Further, ensuring the safety and well-being of children is of utmost concern. Toward that end, North Carolina has taken advantage of the opportunity offered by the TANF Block Grant to enhance our efforts in this area.

STATE WELFARE REFORM LEGISLATION

One provision of North Carolina's law provides for TANF program development by local county governments. The law refers to counties as Standard or Electing. Standard Counties operate the State's Work First Program while Electing Counties have additional flexibility in program design. See Appendix D for a summary of Electing Counties' eligibility policies.

All counties, Standard and Electing, have maximum flexibility in designing their employment programs to meet local needs. However, counties which combined contain no more than 15.5% of the State's Work First cases (at September 1 of each year) are permitted by State law to design their entire program, including eligibility criteria and benefit levels. The State's and each Electing County's eligibility criteria are described later in this document. (Throughout this plan, all references to "Electing Counties" refer to those counties that have been approved as Electing.)

The North Carolina law also requires partnerships between local departments of social services and local Employment Security Commission offices by implementing the First Stop Employment Assistance Program.

PROGRAM ADMINISTRATION

The N. C. Department of Health and Human Services is responsible for establishing, supervising, and monitoring the Work First Program. At present, all services and benefits are delivered locally by county departments of social services in each of North Carolina's 100 counties, although Electing Counties may choose to designate an alternative service delivery agent.

Each county developed a local Work First block grant plan, including descriptions of strategies to achieve the measurable statewide outcome goals described in this plan. Development of county plans must involve a broad range of public, private, and nonprofit groups. See Appendix A for further discussion on county plan development.

WORK FIRST ELIGIBILITY CRITERIA (STANDARD COUNTIES UNLESS OTHERWISE NOTED)

Receipt of Work First Family Assistance is based on both non-financial and financial criteria, which are described in Appendix C. Cabarrus County, which is a Standard County, operates a program under State law. Their program criteria are described in Appendix E. Electing Counties' criteria are described in Appendix D.

For the most part, the financial eligibility changes made by this plan are not more restrictive than those in effect in July 1996, and thus are extended to Medicaid.

The responsibilities of the recipient and the county are spelled out in a Mutual Responsibility Agreement that describes steps the family will take to become self-sufficient and support services the county will provide. (See Appendix B.)

EMERGENCY ASSISTANCE (ALL COUNTIES)

Counties must use their Work First block grant funds to provide emergency assistance to families in accordance with their local plan. Counties must define the eligibility criteria, who is eligible, and the types of emergencies that will be covered. This assistance is designed to assist with families' sporadic emergency needs, such as a utility cut-off or an eviction notice. Emergency assistance is not designed specifically to help families move to self-sufficiency, although, use of this assistance could help a family's progress.

Counties will comply with federal requirements. Emergency assistance does not trigger the 24 or 60-month time limit, nor will families receiving emergency assistance be required to participate in the work program. Also, families who have exhausted their 24 or 60-month time limit are eligible for Emergency Assistance, provided all other eligibility criteria are met. These families are not included in calculating the State's participation rates.

Families that meet the following criteria are eligible for emergency assistance. Counties are allowed to define and describe in their plans local eligibility criteria that are no more liberal than the following guidelines:

- The family must have a child who lives with a relative as defined for Work First Family Assistance and meets the age limit for Work First Family Assistance.
- Total income must be at or below 200% of poverty.
- Family members must meet the same citizenship requirements as for Work First Family Assistance.

APPEALS PROCESS

For Standard Counties, the N. C. Department of Health and Human Services has set uniform standards for determining eligibility, providing benefits, and ensuring fair and equitable treatment. Applicants or recipients who wish to contest a decision adversely affecting their receipt of public assistance, or workers contending a breach of the non-displacement in work activity provision of federal law, may appeal in accordance with N.C.G.S. 108A-79. Families are informed of their right to appeal and are provided with copies of Work First policy upon request. Electing Counties, as required by State law, have established a local appeals process that substantially complies to the appeals process outlined in N.C.G.S. 108A-79. This means that for Electing Counties, all appeals for Work First are heard locally, not by the State Division of Social Services.

WORK FIRST SERVICES

It is important that families receive the services needed to assist them in moving toward self-sufficiency. All counties have maximum flexibility in deciding how they utilize their block grants to provide services to enable families to become and remain self-sufficient. The flexibility available to county departments of social services makes it impossible to outline all of the services that may be provided. Services that are not specifically prohibited by federal law or regulation may be provided. To the extent Work First services are available, they may be provided to recipients of Work First Family Assistance (WFFA) at any time to support the activities in the Mutual Responsibility Agreement. Also, support and family enrichment services may be provided for families whose income does not exceed 200% of the federal poverty level, and work-related services may be provided to non-custodial parents of WFFA recipient children. Each county's local plan describes how services will be provided.

Serving Non-Custodial Parents (Optional in All Counties)

Child support should be a primary income source for most Work First families and a way for former Work First families to remain off Work First Family Assistance. To enhance non-custodial parents' ability to pay child support, North Carolina allows counties to provide work-related services for non-custodial parents of a minor child who is a WFFA recipient. The non-custodial parent's family income must be at or below 200% of the federal poverty guideline. The non-custodial parent is not considered a member of the custodial parent or caretaker's family. In addition to the ability to provide work-related services, Work First staff are encouraged to work

locally with their Child Support Enforcement Office and judicial system to have support orders modified to require the non-custodial parent's participation in employment activities.

Serving Low Income Families (Optional in All Counties)

All counties are encouraged to provide in their local plan for provision of a variety of services for families with income at or below 200% of the poverty level that have a child who meets the same requirements as for Work First Family Assistance.

Counties describe in their local block grant plans whether they will provide such services and if so, who will be served and what types of services they will provide. Services may be varied, including but not limited to, transportation, child care, job retention bonuses, case management, follow-up, mentoring, after school learning programs, parenting programs, literacy programs, and post-employment skills training. Families who have exhausted their 24 or 60-month time limit are eligible for these services, provided all other eligibility criteria are met.

Child Care Services

Counties may provide child care services subsidized by their Work First Block Grant funds. To qualify, families must be eligible for Work First Family Assistance or for Work First Services as described in this plan. The child care services provided must comply with subsidized child care policies administered by DCD. All parents receiving child care subsidies have a choice of legally operating providers and information to help them evaluate their child care arrangement.

All parents who have income are required to help pay for the cost of child care in accordance with the fee schedules administered by DCD.

Transportation Services

The North Carolina Department of Transportation (NCDOT) and the North Carolina Department of Health and Human Services (NCDHHS) share a mutual interest in exploring new and innovative resources for employment transportation. The common goal is to move welfare recipients not only to work but also to self-sufficiency. Since April 1998, NCDOT has provided an annual allocation of \$1 million across the state to support the employment transportation needs of former Work First recipients that are working and no longer eligible to receive cash assistance. The formula-based allocation entitled "Work First Transitional/Employment Transportation Assistance" is made available to each county based on population and welfare caseload size. Funds may be used for fuel, bus passes, vanpooling and carpooling efforts, volunteer reimbursement, driver wages/fringe benefits, taxi services, insurance, repairs, and maintenance. Although these funds are targeted towards former Work First recipients, they may also be used for other low-income individuals in the community with employment-related transportation needs who are not affiliated with Work First or other human service programs.

Counties are encouraged to develop local partnerships with other human services agencies, transit systems, businesses, workforce development agencies, faith community, civic organizations, etc. to develop and expand alternative transportation resources to meet the community's transportation needs. Issues such as communication, coordination, trust, policies, marketing, funding resources and cost sharing are all part of the discussion process.

Many counties have developed car ownership programs through partnerships with other organizations. Vehicles donated from private citizens, businesses, and/or local governments are given to select Work First families. There are many different versions of car ownership programs in operation in North Carolina. Most programs require that the Work First recipient

pay at least a portion of the costs associated with liability insurance, repairs, taxes, and license and/or title fees. Some counties use Work First Block Grant Funds to purchase vehicles, make down payments and assist with regular car payments for Work First families.

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES

North Carolina law requires all adult applicants and recipients of Work First Family Assistance to be screened for substance abuse. Further assessment is required if indicated by the screening. North Carolina provides TANF funding to the N. C. Division of Mental Health, Developmental Disabilities, and Substance Abuse Services for Qualified Substance Abuse Professionals (QSAP's). QSAP's or other qualified staff complete a thorough assessment of the individual's situation, including a voluntary mental health screening. If appropriate, a substance abuse treatment plan is developed and a referral is made to the area mental health program for treatment. The QSAP serves as the care coordinator to track the adult's progress through treatment. The QSAP and the Work First case manager jointly develop a plan for the family to ensure success. If an adult refuses to be screened initially for substance abuse, the entire family is ineligible for Work First but is evaluated for Medicaid.

If, after it is determined that substance abuse treatment is required, the adult fails to comply with the treatment plan, the adult is ineligible for cash assistance. The adult continues to be eligible for Medicaid, is included in the family, and continues to be considered a Work First recipient for purposes of the work requirement and time limits. The family's payment is recalculated with the adult excluded from the needs, and the payment is made to a protective payee.

The children in families where substance abuse has been identified are targeted for referral to substance abuse prevention and other behavioral health services. Participants in treatment programs are expected to combine treatment with other self-sufficiency skills and vocational training activities.

FRAUD AND ABUSE

The Department of Health and Human Services enforces standards and procedures to detect and prevent fraud and abuse by recipients and employees of the program. An administrative hearing process enables county departments of social services to identify cases of intentional program violations. Individuals found to have committed an intentional program violation are disqualified from Work First Family Assistance for 12 months for the first offense, 24 months for the second offense, and permanently for the third. The cash benefit is reduced by the needs of the offender but the offender continues to be subject to time limits and work requirements. The overpayment is also recovered by repayment or payment reduction.

OUT-OF-WEDLOCK BIRTHS

Because out-of-wedlock births are so closely linked to poverty, reducing these births should improve the health of women and children and help reduce welfare dependency.

Circumstances contributing to out-of-wedlock births are complex. Strategies to reduce them must address a range of issues from access to family planning services to promoting abstinence and responsible behavior.

Local health and social services departments continue to work together to ensure that all recipients receive needed family planning services. Each county health and social services department has formulated a plan to reduce barriers and promote family planning service utilization. An indicator to determine the percent of out-of-wedlock births has been added to the

Work First State Plan

Maternal and Child Health Accountability System to monitor health departments as they strive to meet this goal. This indicator is tracked on a county-by-county basis and is used in the evaluation of each health department's effectiveness; resulting in health departments adopting strategies to improve their county standing.

The Department gives high priority to its adolescent parenting and adolescent pregnancy prevention programs and continues to monitor prevention efforts, particularly those aimed at reducing teen pregnancy.

Teen Pregnancy Prevention Initiatives (TPPI), housed in the Division of Public Health, provides funding for local health departments, social services departments, school systems, and other community-based agencies to work with adolescents to prevent pregnancy among target populations. These agencies use "best practice models" in group settings. Techniques may include abstinence and life skills education, youth development, parent workshops, counseling and referral, community awareness efforts, and male involvement. Topics include decision making, entrepreneurial leadership, information about specific areas of concern such as sexual coercion, statutory rape laws, and/or service learning.

INDIAN TRIBES

The Eastern Band of Cherokee Indians, the only Indian tribe in North Carolina recognized by the U.S. Bureau of Indian Affairs, has elected to remain under the state Work First Family Assistance Program. The Eastern Band of Cherokee Indians will continue to operate a separate employment and training program. Therefore, North Carolina opts to exclude these Native Americans from our federal participation rate.

INDIVIDUAL DEVELOPMENT ACCOUNTS

Counties may establish IDA projects locally as described in their block grant plan. Counties' IDA projects must comply with federal regulations and with Section 404 (h) of the Social Security Act.

CONFIDENTIALITY

North Carolina, in accordance with G.S. 108A-80 and applicable federal law, restricts the use and disclosure of information about people receiving assistance under Work First to safeguard the confidentiality of all applicants and recipients.

FAMILY VIOLENCE OPTION

North Carolina has adopted the Family Violence Option. The state has developed standards and procedures to notify all Work First applicants and recipients about domestic violence and the Option, and to identify applicants and recipients with a history of being a victim of domestic violence. These individuals are referred to counseling and supportive services (while maintaining their confidentiality) and may receive a temporary waiver from one or more Work First requirement if domestic violence is preventing them from meeting the requirement.

The Department may waive, with good cause, Work First requirements such as time limits, child support cooperation, and family cap provisions, in cases where compliance would make it more difficult for the recipient to escape domestic violence, or would unfairly penalize someone who is, or has been, a victim of domestic violence. The length of waivers is determined on a case-by-case basis but will not exceed six months at a time.

LOCAL DEMONSTRATIONS OR PILOT PROGRAMS

Counties may apply to design and operate demonstrations or pilot programs to investigate various ways of meeting the Work First Program purposes and goals. These demonstrations will likely be in areas in which the county lacks the authority to make specific program changes. Funding in addition to the county's local block grant may or may not be provided. There may be instances, in which the State asks for proposals to address a specific topic. In other situations, counties may apply to the State to operate a pilot without an official request from the State.

TANF ELIGIBLE FAMILIES

In order to achieve the goals of Work First, North Carolina opts to take advantage of the flexibility allowed in the federal law and regulations. Toward that end, the Department defines several categories of eligible families. Eligible families include the following:

- Work First Cash Assistance and Benefit Diversion will be provided as follows:
 - Standard Counties - families that meet the income and resource requirements outlined in Appendix C.
 - Electing Counties - families who meet the income and resource requirements outlined in each county's local plan. See Appendix D for summaries.
- Services to prevent or delay pregnancies to unwed parents, teenage parents or other high-risk populations are provided without regard to family income.
- Pregnant women whose income is at or below 200% of poverty may receive support services.
- Non-custodial parents of Work First children where the non-custodial parent's family income does not exceed 200% of the federal poverty guideline may receive work-related services.
- All other services, including, but not limited to: Job retention and advancement services, employment services, support services, and preventive family services (including child protective services and related child welfare activities), but not assistance, may be provided to families with incomes that do not exceed 200% of the federal poverty guideline.
- Limited follow-up and referral services can be provided to any former Work First recipient without regard to family income.
- In addition to serving the families described above, North Carolina provides services covered in North Carolina's approved State Plan as authorized by Parts A and F of Title IV of the Social Security Act in September 1995. For a description of these services, see Appendix F.
- Child Protective Services and related Child Welfare Services may be provided without regard to family income.

USE OF FUNDS

Federal funds will be used in accordance with federal law and regulations.

These TANF funds will be used to meet the four purposes specified in the P.L. 104-193. Federal, State and county TANF funds will be invested in activities to support achievement of specified outcome measures. These activities include, but are not limited to: enhanced training for state and local staff, automation, employer incentives, family planning services, substance abuse treatment, child care, transportation, and other activities promoting self-sufficiency for families. In addition, federal TANF funds will be used for the services previously included in the AFDC-EA plan as specified in Appendix F.

Federal TANF funds may be spent as follows and in accordance with federal law and regulations:

- Cash assistance.
- Child care.
- Supportive services, including, but not limited to work-related expenses and transportation.
- Educational activities intended to increase self-sufficiency, job training, and work, excluding any expenditure for public education in the State except expenditures which involve the provision of services or assistance to a member of an eligible family which is not generally available to other people.
- Administrative costs (which may not exceed 15% of the total funds spent for purposes under Title I of the federal block grant).

[Administration is defined as costs associated with office directors, policy, fiscal, budget, personnel, purchasing, legal, clerical support, and direct, indirect, and allocated costs in support of these positions. The costs of staff who provide case management, program supervisors, program clerical staff, and support costs of program staff are services costs rather than administrative costs. The staff time spent solely on determining financial eligibility, including evaluating assets, is counted as administration.]

- Case management services, including outreach and follow-up activities.
- Expansion of child support efforts, including fatherhood initiatives, training for eligible non-custodial parents. TANF funds or MOE will be used to fund a concentrated plan to increase the level of collections for eligible families.
- Federal funds may also be used to help meet cost-sharing requirements under the Job Access program under Section 3037 of the Transportation Equity Act for the 21st Century (P.L. 105-178).
- Automating the provisions of the law.
- Other uses that reasonably can be expected to enable families to care for children in their homes; that promote job preparation, work, and marriage; that prevent or reduce the incidence of out of wedlock pregnancies; and that encourage parents to marry and remain married.
- Any purpose for which the State was authorized to use funds received under Parts A and F of Title IV of the Social Security Act as they were in effect on September 30, 1995. This means that North Carolina will continue, as it has since 1995, to provide services (including child

welfare services) to at-risk children as was approved in the Title IV-A State Plan as of September 30, 1995. A description of these services is located in Appendix F.

If federal TANF funds are insufficient to cover cash assistance costs in the event of economic downturns, other federal, state, and county funds may be used to meet the costs of assisting needy families.

Counties are able to partially retain collections made on overpayments to recipients not due to agency error, including child care overpayments.

MAINTENANCE OF EFFORT

Under State law, both the counties and the State provide Maintenance of Effort funds. County spending is generally through the County Work First Block Grant. This Block Grant contains an allocation of federal funds to be used for those services that meet the requirements for TANF funds. It also contains state and county funds that are used to meet the Maintenance of Effort requirements. Additional State funds for Maintenance of Effort are spent on such items as child care, State administrative costs and automation.

Maintenance of Effort funds may be used for the activities listed below.

- Work First Family Assistance.
- Child care.
- Supportive and preventive services, including, but not limited to child and family enrichment services, work-related expenses and transportation.
- Educational activities intended to increase self-sufficiency, job training, and work, excluding any expenditure for public education in the State except expenditures which involve the provision of services or assistance to a member of an eligible family which is not generally available to other people.
- Administrative costs (which may not exceed 15% of the total funds spent for purposes under Title I of the federal block grant).

[Administration is defined as costs associated with office directors, policy, fiscal, budget, personnel, purchasing, legal, clerical support, and direct, indirect, and allocated costs in support of these positions. The costs of staff who provide case management, program supervisors, program clerical staff, and support costs of program staff are services costs rather than administrative costs. The staff time spent solely on determining financial eligibility, including evaluating assets, is counted as administration.]

- Case management services, including outreach and follow-up activities.
- Services such as housing assistance or health care assistance that can help families meet their goals for self-sufficiency.
- Automating the provisions of the law.
- Other uses that reasonably can be expected to enable families to care for children in their homes; that promote job preparation, work, and marriage; that prevent or reduce the incidence of out of wedlock pregnancies; and that encourage parents to marry and remain married.

IMPLEMENTATION

We will phase in implementation based on resources, training needed, and automation necessary. A number of provisions will be implemented as soon as policy can be issued since these changes do not require automation or require only minimal training. Any changes requiring modifications to the existing Eligibility Information System (EIS), Food Stamp Information System (FSIS) Employment Programs Information System (EPIS), or Client Services Data Warehouse (CSDW) that support the Work First and Medicaid Programs will be delayed until the modifications can be implemented in the systems. Existing policies remain in effect until such time as the required automation changes can be made effective or changes not requiring automation can be put into place.

CERTIFICATIONS REQUIRED OF THE GOVERNOR

As Governor of the State of North Carolina, I hereby certify that during each fiscal year to which this state plan is applicable:

This program will be known as the Work First Program.

The provisions described in this state plan will be carried out in accordance with federal and state law.

The state will operate a Child Support Program in accordance with the state plan approved under Title IV-D of the Social Security Act.

The state will operate a foster care and adoption assistance program in accordance with the state plan approved under Title IV-E of the Social Security Act.

The state will take any actions that are necessary to ensure that children receiving assistance under Title IV-E of the Social Security Act are eligible for medical assistance under Title XIX of the Social Security Act.

The North Carolina Department of Health and Human Services is the agency responsible for supervising the program and administering program funds.

Local governments and private organizations have been consulted regarding the plan and design of welfare services in the state, and they have been given 45 days to submit comments on the plan and design of those services.

The state will provide each member of an Indian tribe, who is domiciled in the State and is not eligible for assistance under a tribal family assistance plan, with equitable access to assistance under the State program funded under Title IV-A of the Social Security Act.

The State has established and is enforcing standards and procedures to ensure against program fraud and abuse, including standards and procedures concerning nepotism, conflicts of interest among individuals responsible for the administration and supervision of the State program, kickbacks, and the use of political patronage.

The State has established, and is enforcing, standards and procedures to screen and identify individuals receiving assistance who have a history of domestic violence. While maintaining the confidentiality, such individuals are referred to counseling and supportive services, and, pursuant to a determination of good cause, program requirements (such as time limits for individuals receiving assistance, residency requirements, child support cooperation requirements, and family cap provisions), are waived in cases where compliance with such requirements would make it more difficult for them to escape domestic violence or would unfairly penalize them.

Michael F. Easley, Governor
State of North Carolina

APPENDIX A

LOCAL BLOCK GRANT PLANS

Each Standard County must submit biennially to the Department of Health and Human Services for approval, a local block grant plan that describes its proposed Work First Employment Services Program, emergency assistance, and optional components, including the provision of Work First Services to low-income families, former WFFA recipients, and non-custodial parents of Work First children. Each Electing County must submit biennially to the Department of Health and Human Services a local block grant plan that describes its proposed Work First Employment Services, Eligibility Criteria, emergency assistance, and Benefit Diversion Programs, and optional components, including the provision of Work First Services to low-income families, former WFFA recipients, and non-custodial parents of Work First children. The public must have an opportunity to review and comment upon local block grant plans before they are submitted to the Department. The county board of commissioners must appoint a committee of individuals to identify the needs of the population to be served and to review and assist in developing the county block grant plan in response to the needs. Membership of the committee must include, but is not limited to, representatives of the county board of social services, the board of the area mental health authority, the local public health board, the local school systems, the business community, the board of county commissioners and community-based organizations that are representative of the population to be served. In addition, religious organizations, service recipients, and other non-profits with experience in serving the population should be included.

The Department provides to all counties a model for use in developing their local plan.

The local block grant plan should include public and private resources that will help families move to self-sufficiency and should describe how services such as child care, transportation, housing, and skills training will be used. The plan must include the county's priorities for serving families who need child care, based on the needs of the community and the availability of services and funding.

Following review by the local social services board and other parties, the county commissioners must approve the local block grant plan before it is submitted to the Department.

The Department has the responsibility to ensure that counties' programs comply with federal and State requirements and are consistent with the goals of the Work First Program.

Local plans for FFY's 2004 and 2005 have been submitted and reviewed by a team composed of a wide variety of agencies and organizations.

All plans were reviewed for content, to ensure they complied with State and federal law, and supported the goals of the Work First Program. Responses were sent to all counties pointing out particularly innovative plan ideas, asking for additional information, or alerting counties to problem areas.

See Appendix D for additional information on the Electing County planning process.

Statewide Work First Goals

The Department, in consultation with the county departments of social services and county boards of commissioners, has established acceptable levels of performance by counties in meeting Work First expectations. The local block grant plan will describe the goals and outline the county's plan for meeting the goals.

The goals established below will reinforce North Carolina's successful caseload reduction efforts. By promoting employment, job retention, diversion, and intensive work activities, these outcomes not only assure a continuing downward trend in the caseload, they also build self-sufficiency for families.

Measurement of county outcome and performance goals will take into account economic factors and conditions such as percent of children in poverty, unemployment rate, and transportation barriers.

Statewide Work First Goals include the following:

1. **Employment.** Self-sufficiency is realized primarily through employment. One of the measures of success for local Work First Programs will be the number of participants who enter paid employment while participating in the program.
2. **Job Retention.** Families who leave Work First for employment and continue to be employed 6-12 months after leaving the program increase their opportunity to progress toward self-sufficiency and avoid a return to dependency. This impacts a family's overall well being in several ways. Research has shown that children in families with stable income do better academically than children from families with unstable income. This measure will be based on the number of responsible adults that leave Work First Family Assistance for employment who are still employed at 6 and 12 month intervals following termination.
3. **Meeting Federal Participation Rates.** Active participation in employment services and activities will lead to full time employment. Counties must ensure that the required percentage of mandatory participants complete the required number of hours of countable work activities to meet the federal participation rates.
4. **Providing Employment Services.** Active participation in intensive employment services is necessary in order to ensure that families have the opportunity to succeed before the end of five years. One measure of success in Work First is the percentage of mandatory participants who are engaged in work activities. Counties are expected to engage participants early and continuously in employment services.
5. **Benefit Diversion.** The most successful outcome possible for an applicant for public assistance is to avoid the need to become a recipient. This is also recognized in the federal law, which specifies diversion from public assistance as a desired outcome. Use of Work First Diversion Assistance for a specified percentage or number of Work First applications will be established as a goal for each county.
6. **Staying Off Welfare.** Efforts to reduce dependence on welfare, help adults find jobs, and increase self-sufficiency are undermined when families return to welfare. Families leaving Work First because of a job are tracked to determine if they return to cash assistance. The TANF block grant plan reflects the goal as a percentage of all cases closed because of employment that should remain off of assistance.

APPENDIX B

PERSONAL RESPONSIBILITIES AND WORK REQUIREMENTS

Work First is based on the premise that all parents have a responsibility to support themselves and their children. Under Work First, the Mutual Responsibility Agreement spells out in detail the obligations of parents or legal guardians in return for family assistance. All counties require families to enter into Agreements. Electing Counties may develop their own agreements to meet local needs. (See Appendix D.) All Standard Counties use the same Mutual Responsibility Agreement, however, counties may tailor it to meet local needs and specific needs of families.

Mutual Responsibility Agreements (Standard Counties)

The first part of the Mutual Responsibility Agreement applies to all families and describes the parent or caretaker's responsibilities. All Agreements must include the first four items and other items, as appropriate (unless there is good cause), to ensure that parents or caretakers:

- look for work/register for First Stop, unless exempt
- accept and keep any suitable job offered to them, unless good cause exists
- conduct themselves appropriately on the job (not be fired from a job for misconduct)
- make sure that their children attend school regularly
- get their children immunized appropriately and attend regular medical check-ups
- cooperate with child support enforcement
- participate in financial management and life skills classes
- participate in substance abuse screening, assessment, and treatment
- participate in mental health treatment
- attend family planning counseling
- attend family violence counseling
- participate in work activities
- participate in rehabilitation services
- live with a parent or other approved adult (required for parents under age 18).

A family is not eligible for Family Assistance unless the parent(s) or caretaker(s) signs the Mutual Responsibility Agreement.

The second part of the Mutual Responsibility Agreement is the parent's plan to meet the work requirements. This part:

1. Establishes employment goals for the parent(s); and
2. Describes a plan for participating in work or work-related activities; and
3. Describes the case management and supportive services that will be provided to help the family become self-sufficient.

A family whose parent refuses to sign this second part of the Agreement (if required) loses its benefits for at least one month. Benefits will not be restored until the parent signs this part.

First Stop Employment Assistance Program

The First Stop Employment Assistance Program represents a partnership between the Employment Security Commission and the Department of Health and Human Services. The Employment Security Commission is the presumptive primary deliverer of job placement services for the Work First Program.

Work First State Plan

All Work First adult applicants and recipients, unless exempt, are required to register for the First Stop Employment Assistance Program with the Employment Security Commission in the county in which they live. Unless the adult registers for First Stop, the family is not eligible for Work First. Exemptions from First Stop registration include:

- Adults receiving cash assistance for a child only,
- Adults who are disabled as demonstrated by receipt of Social Security, SSI or 100% VA disability, and
- Single custodial parents with a child under 12 months unless they are subject to the work requirement (lifetime 12 months of exemption).

Counties may use one of two options for the registration process. 1) Counties may accept the Work First application and explain to the adult that he must register with First Stop within 12 days or his application will be denied; or, 2) Counties may require the adult to register with First Stop before taking the Work First application (Medicaid application will still be taken in this situation).

Counties also may contract with the Employment Security Commission for additional services such as job search, job placement, and referrals to community service.

Work Responsibilities

Families are assessed for employability at or before application for Work First and always within three months of receiving assistance. Single parents of children under 12 months of age are excluded from the participation rate calculation if they do not complete enough countable hours to be deemed engaged in work. This exclusion is for a cumulative total period of 12 months within the time the adult receives assistance.

In all counties, single parents with children under age six who demonstrate that necessary child care is not available are not sanctioned. (See Child Care Section immediately following for required definitions.)

Full-time participation is defined as completion of at least 35 hours per week of approved work activities. Participants must participate in the activities included in their MRA Plan of Action, based on their ability. While some MRA plans may not include 35 hours per week of activities, participants are expected to increase participation over time.

Optional items and information specific to North Carolina are discussed below.

1. Work Experience - USDA approved a simplified food stamp plan to count the value of a family's food stamp benefit in calculating the maximum number of hours of work experience participation.
2. Community Service - North Carolina does not require community service employment within two months of receiving assistance.
3. Wage Supplementation - North Carolina counties *may* include wage supplementation as a work component in their local plan. This may include cashing-out food stamp benefits and the Work First Family Assistance payment. It should be used primarily for families in which the adult may be less job-ready and difficult to place without the subsidy.

For Standard Counties that choose to include wage supplementation as an option in their plan:

- a) A wage supplementation program will consist of a contract between county departments of social services (DSS) and employers. The contract will provide for DSS to make payments to employers using public assistance funds in order to subsidize wages the employer pays to employees who are eligible for public assistance. Contracts may not exceed 12 months.
 - b) The amount paid to the employer will be based on the amount of benefits for which the employee's household would be eligible in the absence of the employment. The county DSS may or may not include the dollar amount of the food stamp allotment.
 - c) The amount of the supplement will be frozen for the length of the contract.
 - d) These job positions must comply with the Fair Labor Standards Act. Additionally, recipients must receive the same benefits (sick and personal leave, health coverage, workmen's compensation, etc.) as similarly situated co-workers who are not participating in wage supplementation.
 - e) The DSS expects that the employer will agree to offer the participant a regular unsubsidized position at the end of the subsidy program, if the participant meets all expectations and presents no reason for dismissal.
 - f) The employer must maintain records to account for wage supplementation funds that are received and disbursed.
 - g) Wage supplementation positions are limited to unfilled positions and cannot displace current employees from jobs.
 - h) The WFFA supplementation amount will be the payment amount for which the family would have been eligible in the first month of the subsidized employment (disregarding the income from the subsidized employment). This amount will be the same for the duration of the contract.
 - i) If food stamp benefits are included in the subsidy amount, the amount will be frozen for the duration of the contract. The food stamp benefit amount will be increased to compensate for state and/or local food taxes. This cost will be borne by the county.
 - j) The portion of wages received by the participant that was subsidized by the county will not be counted as income for determining eligibility for any public assistance.
4. State Allowable Activities - Additional work activities that do not meet the federal definition are also allowed. A worker and the family will use the results of the employability assessment to create the most likely and timely path to self-sufficiency.
5. Post Secondary Education - Up to 20% of Work First recipients may be enrolled, at least part-time, in a post secondary education program. In Standard Counties, recipients who are enrolled at least part time and who maintain a 2.5 grade point average (or its equivalent) shall have their two-year time limit suspended for up to three years.

Funds *may* be used to contract with, or provide job placement vouchers to, public and private employment agencies. Funds *may not* be used to subsidize a job when a person has been laid off from the same (or substantially equivalent) job, or if an employer fired or laid-off a regular employee to fill the job with a subsidized Work First participant.

Individuals are not referred for, or placed on, a job where any regular employee has been laid off from the same job or an equivalent job; or an employer has terminated or otherwise displaced

and employee or employees in order to hire a Work First participant. Employees who believe that they have been displaced solely so the employer may hire a Work First participant may file a grievance as described in the Work First Manual.

Work First participants have the same rights under federal, State, or local laws that are applicable to non-Work First employees in the same or similar situations.

Child Care Definitions

County departments of social services use the following guidelines to evaluate whether adequate child care is available for single parents with a child under age 6. At each occurrence of non-compliance with the work requirement for a single parent caring for a child under 6, the county department will document in the case record the reason for the parent's non-compliance. If the parent claims he/she is unable to participate because needed child care is not available, the county department will evaluate each of the following criteria and document in the case record their findings. If the county finds that the parent's claim is valid, the sanction for non-compliance is not applied.

Appropriate Child Care:

- Care in a regulated child care center or family child care home that has a license, or
- Care in an unlicensed child care arrangement that meets the minimal health, safety and criminal record check standards required of informal providers for reimbursement through North Carolina's subsidized child care program.
- Child care options must have hours of operation that mesh with the work schedules of parents and meet any special needs of the individual children.

Reasonable Distance:

- In evaluating 'reasonable distance,' counties consider the total time it takes for parents to travel one-way from home to the child care provider then to work or work-related activity. Because of the differences in North Carolina's geography and highway/road systems, county departments have maximum discretion to decide what is "reasonable" for individual families based on their resources (i. e., whether they have a vehicle in working order or families' resources available for transporting the family) and local transportation considerations.
- As a guideline, counties should consider that it may not be reasonable to require families receiving Work First to travel more than 80 minutes one-way to work and child care. Eighty minutes is four times the average one-way commute time in North Carolina (not including stops at child care arrangements), as reported by the U. S. Census Bureau based on the 1990 decennial census. This does not preclude exemption from the sanction based on a shorter commute if the county considers the commute an obstacle to children's healthy development or the family's self-sufficiency goals.

Unsuitability of Unlicensed Child Care:

The unsuitability of an unlicensed child care arrangement is determined on a case-by-case basis. An unlicensed child care provider may be considered "unsuitable" for a particular family if one of the following exists:

- The unlicensed child care arrangement does not meet the health, safety, and criminal record check standards required of information providers to receive subsidy reimbursements from the State of North Carolina.

- A parent does not want his/her child(ren) cared for by the unlicensed child care provider.

Affordable Child Care Arrangement:

When a child care subsidy is available to the family, the child care is considered affordable.

APPENDIX C

STANDARD COUNTIES

Non-Financial Eligibility Rules

In addition to signing the Mutual Responsibility Agreement and work requirements, families must meet certain eligibility rules in order to receive Work First Family Assistance. The basic eligibility rules are described below.

1. Children must be age 17 or younger. Children age 18, if in high school and expected to graduate by age 19, can receive through the month they turn 19 or graduate from high school, whichever occurs first. (Emancipated minor parents are considered adults and treated as such for Work First.)
2. Children and adults who receive SSI are not included as recipients in the Work First Family Assistance case. If there is only one child for whom an application would be made and that child receives SSI, the parent may receive assistance with a payment for one person.
3. Parents, including biological, adoptive, or step parents, must be included with their child(ren) in the Work First Family Assistance case. All siblings and half siblings living together must also be included in the Work First Family Assistance case. If both biological parents and adoptive parents are living in the same residence with a child, the adoptive parents must apply and be included, but the biological parents may not. If the biological parent and individual with legal custody or guardianship reside in the home with the child, only the individual who has day-to-day care of the child may apply for and receive Work First Family Assistance for that child. If the biological parent is not included, child support must be pursued. The biological parent's income will not be counted in this case.
4. Children who receive Foster Care and/or Adoption Assistance are not included as recipients.
5. Certain relatives, or a person with legal custody or legal guardianship, may apply for assistance for a child but may not be included in the payment. These cases are child-only cases.

The following relatives qualify to apply for a child: a blood or half blood relative or adoptive relative limited to: brother, sister, grandparent, great-grandparent, great-great-grandparent, uncle or aunt, great-uncle or aunt, great-great-uncle or aunt, nephew, niece, first cousin, stepbrother, stepsister; and spouses of anyone listed above even after the marriage has been terminated by death or divorce.

6. An adult or child can not receive TANF Assistance in more than one case in North Carolina or any other state for the same month.
7. An individual can be the payee for one Work First Family Assistance case.
8. Illegal immigrants are not eligible to receive Work First. North Carolina elects to provide assistance to cover all optional non-citizen populations allowable under federal law.
9. A family cap on assistance is in effect. This means that a family's Work First Family Assistance cash payment will not increase when a child is born 10 months after a month in which a family received cash assistance. There are some exceptions to the family cap rule: a child conceived as a result of verifiable rape, sexual assault, or incest; a child for whom parental custody has been legally transferred; a child no longer able to live with his parent

due to the parent's death, incapacity or disability, and the incarceration or institutionalization of a parent for at least three months.

10. Minor parents (under age 18), unless emancipated, must meet special requirements.

- They must stay in school to complete their high school education, or its equivalent. When a minor parent has completed high school or received a GED, or is suspended or expelled from school, the minor parent must participate in an appropriate educational, training, or work activity.
- They must live with a parent or in another adult supervised setting approved by the county director or his designee. Payments will be made to an adult as a substitute payee, and not to the minor parent.

11. There is a five-year lifetime limit on receipt of federal TANF assistance. This means that, unless exempt, a family is not eligible for Work First Family Assistance if it contains an adult who has received Work First Family Assistance and/or TANF assistance from another state for 60 cumulative months. The five-year lifetime time limit began in North Carolina January 1, 1997.

A family may request a hardship exemption from the 60-month time limit.

The County Board of Social Services, or their designee, will consider and decide whether an exemption will be granted based on guidelines established by the Department. The Board or designee must determine:

- That the Work First participant substantially complied with the Mutual Responsibility Agreement, including consideration of any good cause exceptions.
- Whether the participant is experiencing hardship as defined in the Work First Manual. These include but are not limited to: a family member has been battered or subject to extreme cruelty, severe illness of children or parents, or a combination of factors which together constitute a hardship.
- Whether the hardship condition is severe enough to prevent the parent from working on a regular basis.

Adults included in cases that have been granted hardship exemptions are expected to have an MRA Plan of Action in place that addresses each identified hardship criterion, and they are expected to work toward resolution of the problems as appropriate. Counties are expected to continue to provide necessary services to enable the family to work towards resolution of these issues. Exemptions can be granted for one to six months. At the end of the exemption period, the family may request another exemption.

Good cause considerations include, but are not limited to:

- Disability of the caretaker;
- Disability of a child or other family member requiring the caretaker to remain at home and provide care;
- Family crisis or change including, but not limited to, death of a spouse, parent, or child;
- Lack of necessary child care; and

- Other unique circumstances determined by the Board or its designee that prevented the participant from getting or keeping a job.

12. In addition to the five-year federal lifetime limit, families who are active in North Carolina's Work First Employment Services are limited to 24 cumulative months of cash assistance unless an extension as described below is granted. Families may re-apply for Work First cash assistance after being off assistance for 36 months. All Work First cases (all counties) are reviewed no later than three months prior to the end of the 24-month time limit to ensure that time limits have been tracked correctly; ensure the family is informed about other services; provide an extension if the family qualifies; and review the family status and assist them in identifying resources and support the family needs to maintain employment and family stability.

Up to 20% of Work First recipients may be enrolled, at least part-time, in a post secondary education program. In Standard Counties, recipients who are enrolled at least part time and who maintain a 2.5 grade point average (or its equivalent) shall have their two-year time limit suspended for up to three years.

Families may request an extension of the 24 month time limit at the end of the 24 month period or anytime following termination, including any time within the 36 month period of ineligibility. An extension may be requested verbally or in writing.

The County Board of Social Services, or their designee, will consider and decide on whether an extension will be granted. The Boards or designees must determine:

- That the Work First participant substantially complied with the Mutual Responsibility Agreement, including consideration of any good cause exceptions;
- That the Work First participant, through no fault of his own, is unable to obtain or maintain employment that provides a basic level of subsistence. To determine this, the Board or designee will compare the family's net monthly income to the maximum Work First payment for the family size. If net monthly income is equal to the maximum Work First payment or greater, the family can not receive an extension.
- Whether the participant is experiencing extenuating circumstances.

If an extension is granted, the Board or designee must determine the length of the extension. Each extension must be a minimum of 1 month to a maximum of 6 months with no limit on the number of extensions (within the 60-month lifetime limit).

Good cause considerations include, but are not limited to:

- Disability of the caretaker;
- Disability of a child or other family member requiring the caretaker to remain at home and provide care;
- Family crisis or change including, but not limited to, death of a spouse, parent, or child;
- Lack of necessary child care; and
- Other unique circumstances determined by the Board or its designee that prevented the participant from getting or keeping a job.

13. All Work First applicants (i.e., every member of a case) must provide a social security number, or apply for a social security number if they do not have one. Unless an individual has a social security number or applies for one, that individual is not eligible for Work First.
14. Individuals who are temporarily absent from the home for fewer than 90 consecutive days may continue to be eligible for Work First. Individuals who are absent from the home for more than 90 consecutive days but fewer than 12 months may continue to be eligible for Work First if they have good cause for the absence. Good cause includes absences for medical treatment, substance abuse treatment, and health care. For children, good cause also includes absences for educational requirements.
15. An adult must report to the case manager when a child is expected to be absent from the home for 90 consecutive days or longer. The adult must report the child's absence within five days of knowing the absence would exceed 90 consecutive days. Failure to report the absence within five days makes the adult ineligible for three months beginning the month after failing to make the report.
16. An individual who is convicted of misrepresenting his residence in order to receive Work First, Medicaid, SSI, or Food Stamp benefits in more than one state, or more than one location in North Carolina, is ineligible for Work First cash assistance for ten years beginning on the date of conviction.
17. Incarcerated or institutionalized individuals are not eligible for Work First Family Assistance.
18. A family must apply for Work First Family Assistance in the county of their residence. Work First cases will not be transferred from county to county (although the Medicaid portion of the case will be transferred). The family must reapply for Work First Family Assistance in the new county.
19. Work First Family Assistance received solely because the timely notice (10 work day notice) prevents appropriate action to reduce or stop benefits, is not considered an overpayment and does not have to be repaid.
20. Individuals convicted of Class H or I controlled substance felony offenses in North Carolina may receive Work First Family Assistance or other services beginning six months after release from custody if there is no additional controlled substance felony offense during that time and the individual completes or continues appropriate substance abuse treatment as determined by the local mental health authority. If the individual was not confined after conviction, he may qualify six months after the date of conviction under the same conditions outlined above. Individuals receiving Work First under these conditions are required to undergo substance abuse treatment as a condition of eligibility.

Families must legally reside in the State to receive assistance. Families that have moved to North Carolina after receiving cash assistance in another state will not be treated differently from current residents.
21. Cash assistance overpayments are recovered from the family, as allowed under State law or rule. This includes fraud, intentional program violations, and inadvertent errors by the family.
22. For Work First Family Assistance cases, all changes required to be reported by the family, including changes in income, must be reported within 10 calendar days of the date the change

becomes known. All changes must be processed by the county within 30 calendar days of the report.

23. The certification period for families with income at or below 200 percent of poverty may be for a period of up to twelve months. Once certified, these families' eligibility does not need to be reviewed until the certification period ends.

Financial Rules

1. Resources that can be readily converted to cash will be counted toward a \$3,000 asset limit. "Readily converted" means the asset can be converted to cash in 5 working days.
2. One vehicle per family unit adult is excluded. The equity value in other vehicles is counted without regard to the "readily converted" requirement.
3. To calculate the payment, *all* income of Work First recipients is counted, except the earnings of children, SSI and the income of SSI recipients, Foster Care Assistance, Adoption Assistance, and the Earned Income Tax Credit, unless an income type is excluded by other law or regulation.
4. Countable income of all family members included in the case is counted. Income of parents who are excluded from the case is counted as if they are included. The exception is that no income of SSI individuals is counted.
5. For unearned income, the actual amount received is the amount counted in calculation of the payment.
6. For earned income, percentages are subtracted from the total monthly gross income as follows:
 - 27.5% of gross earned income is excluded.
 - A job bonus is awarded to parents with new earnings. For the first three months each adult recipient has new earnings (as described in the Work First Policy Manual), the income is disregarded in full as a job bonus. The 100% job bonus applies *only* to new earned income that begins after application for WFFA. The 100% job bonus is applied for employment that is expected to be at least 20 hours per week and expected to be permanent; 27.5% of gross earnings from other employment is excluded.
 - If an applicant is working less than 20 hours per week at the time of application 27.5% of his gross monthly earnings is excluded. When he subsequently increases his hours to over 20 per week in a job that is expected to be permanent, the 100% job bonus is applied for the first 3 months of his increased income as described in the Work First Policy Manual.
 - If an applicant is working 20 or more hours at the time of application only 27.5% of his gross monthly earnings is excluded.
 - After three months of the 100% job bonus (as described in the Work First Policy Manual), 27.5% of gross monthly earnings is excluded from consideration, for as long as the individual is a Work First cash recipient.
7. The Work First monthly payment is 50% of the difference between the total countable income and the need standard.

8. The need standard is based on the number of eligible family members:

Number on Work First	1	2	3	4	5	6	7	8
Need Standard	\$362	\$472	\$544	\$594	\$648	\$698	\$746	\$772
Number on Work First	9	10	11	12	13	14	Each additional	
Need Standard	\$812	\$860	\$896	\$946	\$992	\$1,042	Add \$50	

- A family remains eligible as long as the result of the payment calculation is twenty-five dollars (\$25.00) or more (payments will not be made for less than twenty-five dollars).
- For adults who would otherwise be required to be included in the payment but who are ineligible, income is counted as if they were included in the payment (except SSI).

For the month of application, Work First payments are prorated from the date of application with the date of application being day one. Otherwise, payments are made for the full month.

9. Proceeds from non-recurring lump sum payments are counted as a resource beginning the month after the month of receipt for ongoing cases. For pending applications, the non-recurring lump sum payment is counted as income in the month of receipt and as a resource beginning the month after the month of receipt.
10. When an adult Work First recipient or applicant is potentially eligible for other government benefits, such as Unemployment Insurance Benefits, the adult is required to apply for those benefits. If the adult fails to apply by the deadline established by the county or the adult refuses to apply, the family is not eligible for Work First.
11. Certain families, as defined in the Work First Manual, may be required to report income and other information to their county department. Failure to submit a timely report results in termination of Work First assistance. The reporting process will be defined in the Work First Manual.

Application Process

County departments of social services are responsible for developing a benefit package as quickly as possible to help families move toward self-sufficiency. As appropriate, counties should offer families other services to enable them to remain off cash assistance. Such services include Diversion Assistance, child support services, child care and job placement services.

The time limit for processing applications for Work First Family Assistance is 45 days. It is expected that most applications will be processed well within this time limit. In general, it is the applicant's responsibility to provide all the information, including verifications, needed to determine eligibility. Applicants may request assistance in obtaining information. The agency's obligation to assist the applicant is described in the Work First Policy Manual.

Applications may be denied within the 45-day processing period for any of the following reasons:

- The applicant refuses or fails to register for First Stop Employment Assistance within 12 days.
- The applicant refuses or fails to apply for unemployment benefits, when monetarily eligible,

or refuses or fails to apply for other benefits, such as Social Security or veterans benefits, for which he/she may be eligible.

- The applicant fails to provide information needed to determine eligibility.
- The agency is unable to locate the applicant.
- The applicant refuses or fails to apply for a required family member.
- The applicant refuses or fails to sign a Mutual Responsibility Agreement (either Core Requirements or Plan of Action, if required).
- The applicant fails, without good cause, to keep an appointment and has not contacted the agency concerning his application.
- Ineligibility has been verified including situations in which the applicant's statement results in ineligibility.

For any action or verification of information required of applicants, county departments will not deny an application without giving the applicant a written request for the action or verification, specifying a deadline that allows at least 12 calendar days in which to meet the requirement.

Counties will not deny applications for the above reasons if good cause exists. Good cause is defined as:

- A significant family crisis or change including, but not limited to, the death of a spouse, parent, or child;
- Illness of the caretaker or child, including participation in substance abuse treatment or attendance at a medical appointment;
- Civil leave, including jury duty, or a required court appearance;
- Lack of child care for parent and/or a minor parent in school, training, or other work activity; or
- Any other reason determined by the county director or his or her designee.

An application for Work First Family Assistance is also an application for Medicaid. Any time a Work First Family Assistance application is denied, the county department will evaluate whether the Medicaid portion of the application will need to remain open for processing according to Medicaid application guidelines. An application for Work First is valid for a 45 day period. If the application is denied before the 45th day, eligibility for Work First assistance can be established at any time within the 45 day period without requiring a new interview and Assessment/Workbook. This is dependent on the county worker having all information and documentation required to make the eligibility determination with the 45 day time frame.

Eligibility Reviews

Frequent contact with Work First families is critical in ensuring their success at moving to employment. Counties are strongly encouraged to review a family's progress on the terms of the Mutual Responsibility Agreement at least every three months. Families that do not participate in or allow the county to complete the periodic review will lose their Work First Family Assistance payment for at least one month. The family may reapply for Work First but eligibility can begin

no earlier than the first of the month following the month of ineligibility. A face-to-face interview must be conducted and eligibility redetermined at a minimum every 12 months.

Child-Only Cases

County departments are encouraged to re-evaluate how they work with child-only cases. Children in child-only cases are more likely to be “known” to the child welfare system. Often the child is with a relative rather than in the foster care system. Because child safety is one of our primary concerns in North Carolina, a comprehensive study is being conducted and results will be evaluated to determine appropriate services needed for child-only cases. In terms of eligibility, child-only cases must be reviewed at least every 12 months. However, counties should evaluate whether more frequent contact is desirable for individual families. In child-only cases where the caretaker fails to comply with the Mutual Responsibility Agreement, the county will carefully evaluate the provision with which the caretaker is out of compliance, i. e., failure to have children appropriately immunized or failure to ensure children stay in school. If the caretaker is failing to provide appropriate care for the child, an evaluation of the appropriateness of the living arrangement is in order. The purpose of the evaluation is to help determine if there are additional services needed by the caretaker to ensure compliance in the future. The goal is to keep the child in a safe and stable environment.

Benefit Diversion

Under certain circumstances, a one-time, short-term benefit package is more appropriate in meeting the needs of Work First Family Assistance applicants than becoming a Work First recipient. Benefit Diversion may be provided when families are in need of short-term assistance to enable them to get or keep a job or access other financial assistance that will help meet their needs.

- Families that receive Benefit Diversion do not have to repay the benefit amount received.
- Benefit Diversion can be received only once in a 12-month period and does not trigger the two-year Work First time limit or the five-year federal lifetime limit on benefits.
- Recipients of Benefit Diversion are not required to participate in the Work First employment program.
- These families are not considered Work First participants, and are not considered in calculating the State’s participation rate.
- Families who have exhausted their 24 or 60-month time limit are eligible for Benefit Diversion, provided all other eligibility criteria are met.

In these circumstances, Benefit Diversion may provide:

1. A one-time, lump sum payment not to exceed three times the maximum Work First monthly payment for the family size. (The payment is not income-based, but is need-based.);
2. Medicaid, and Food Stamps if eligible, for the months in the Benefit Diversion period;
3. Child care, if eligible; and
4. Referrals to child support and other potential resources.

In order to be eligible for Benefit Diversion, families must meet the following eligibility requirements that apply to Work First Family Assistance:

1. Who may apply and be included in the family unit;
2. Income guidelines;
3. Resource limit;
4. Minor parent rules;
5. State/county residence;
6. Age rule for children;
7. Rule to have or apply for a Social Security Number;
8. Citizenship/immigrant status; and
9. Kinship/living with rule;

No other Work First Family Assistance eligibility requirements apply to Benefit Diversion cases.

Medicaid

Work First eligibility criteria impact eligibility for Medicaid. Therefore, if any of the eligibility criteria described in this plan result in a practical de-link from Medicaid, the Department reserves the right to revisit the criteria and adjust if needed.

Sanctions

Families are subject to sanctions when they fail, without good cause, to comply with program requirements. Families in sanctioned status continue to be eligible for Work First services, and services are offered to help the family comply with requirements and regain eligibility for a payment. County Work First Block Grant plans describe collaborative arrangements that are in place in county departments of social services to insure that the welfare of children in Work First families is protected.

There are four types of sanction that are imposed when participants fail to comply with program requirements:

1. Non-cooperation With Child Support Enforcement

When a parent or other adult caretaker fails, without good cause, to cooperate with Child Support Enforcement, the entire family will be ineligible for a Work First Family Assistance payment for one month or until compliance, whichever is later. The children remain eligible for Medicaid. The adult is not eligible for Medicaid, unless pregnant. The family remains eligible for Work First Services.

2. Substance Abuse Treatment

If a substance abuse assessment indicates a need for substance abuse treatment and the adult fails, without good cause, to comply with the treatment plan, the adult is ineligible for cash assistance until he/she is in compliance with treatment. The adult continues to be included in the family and continues to be considered a Work First recipient for purposes of the work requirement and time limits. The family's payment is recalculated with the adult excluded from the needs, and the payment is made to a protective payee.

3. MRA Non-compliance

Failure to comply, without good cause, with terms and conditions of the Mutual Responsibility Agreement, other than the child support and substance abuse requirements, will result in the entire family being ineligible for a Work First Family Assistance payment for one month or until compliance, whichever is longer. The family remains eligible for Work First Services.

4. Intentional Program Violation (IPV)

Individuals found to have committed an intentional program violation are disqualified from Work First Family Assistance for 12 months for the first offense, 24 months for the second offense, and permanently for the third. The individual continues to be included in the family and continues to be considered a Work First recipient for purposes of the work requirement and time limits. The family's payment is recalculated with the individual excluded from the needs.

Families in sanction status will be apprised of available community resources, including assistance through the county department of social services. All agency staff are trained in indicators of child abuse and neglect and are expected to make reports as appropriate.

A family may avoid a sanction if good cause for non-compliance exists. Good cause is defined as:

- A significant family crisis or change;
- Illness of the caretaker or child, including participation in substance abuse treatment or medical appointment;
- Civil leave, including jury duty, or a required court appearance; and
- Any other reason deemed sufficient by the county director or designee.

Work Activities

The following list is an overview of federally-countable work activities. Some restrictions apply regarding the length of time allowed in certain activities, and who may participate in them. Detailed information can be found in the Work First Manual.

- Unsubsidized employment – an unlimited, paid work activity. Employment may occur in any for-profit, non-profit, public, or private setting. Wages earned in this activity are not subsidized.
- Subsidized employment – an employment opportunity in public, private, for-profit, or not-for-profit situations where the participant's wage is not paid entirely by the employer. The employment may be subsidized from any source.
- Work experience – an unpaid work activity. Work Experience may occur at any non-profit, public, for-profit, or private organization. Participation in this activity may provide an intensive training experience, enhance participants' employability, offer exploration in a new career, or strengthen their existing work history. The number of hours that can be worked is limited by the minimum wage provision of the Fair Labor Standards Act and is calculated by dividing the amount of cash assistance and food stamp allotment by the minimum wage. USDA approved a simplified food stamp plan to count the value of a family's food stamps in calculating the maximum number of hours of work experience participation.

- On-the-job training – a subsidized work activity. Each individual county based on the circumstances locally will determine the amount of subsidy. On-the-job training may occur in any non-profit, for profit, public or private setting. Participation in this activity offers the opportunity to learn a new trade, in a supportive environment, while transitioning into a regular, unsubsidized employee status. Wages may be subsidized using Work First Block Grant funds or other funding sources.
- Job search and job readiness – provides knowledge of available job openings and skills to enhance overall employability. Participation in this activity includes, but is not limited to, development of job-seeking skills, job retention skills, conflict management, substance abuse counseling/treatment, goal-setting, and household budgeting.
- Community service – an unpaid work activity. Community service is generally performed in a government or non-profit agency.
- Vocational educational training – a short-term educational activity that leads to preparation for a specific vocation. Likely providers of vocational educational training include, but are not limited to: community colleges, post secondary institutions, and non-profit organizations. This type of training generally leads to certification or licensure in a skill, such as, welder, nurse, phlebotomist, etc. Participation and support in graduate and post graduate programs is not counted.
- Job skills training directly related to employment – A training activity designed to provide the participant with skill required to perform a specific job.
- Education directly related to employment – An educational activity designed to develop basic employment skills.
- Completing high school or a GED – a traditional educational activity that leads to a high school diploma or its equivalent.
- Providing child care for Work First participants in community service – an unpaid work activity. Providing child care to individuals in Community Service must adhere to rules and statutes that regulate provision of child care.

APPENDIX D

ELECTING COUNTIES

In general, Electing Counties and Standard Counties have the same level of flexibility in designing their employment services programs to meet the federal participation rates and statewide Work First goals while addressing local circumstances. However, Electing Counties also have the opportunity to establish their own eligibility criteria and benefit levels.

In August 2002, 11 counties notified the Department of their desire to be designated as Electing Counties.

The Department has the responsibility to ensure that the Work First Program in all counties complies with federal and State law and the Work First goals. Under State Law, Electing Counties' caseloads combined cannot exceed 15.5% of the Work First caseload on September 1 of each year.

Each of the Electing County plans was reviewed by representatives from the following agencies of state government: Medical Assistance, Mental Health/Developmental Disabilities/Substance Abuse Services, Employment Security Commission, Economic Independence, Adult and Family Services, and the Attorney General's Office. Reviewers returned written comments to the Economic Independence Section of the Division of Social Services.

Because the caseloads of the counties requesting Electing status, in aggregate, are well below the 15.5% minimum (5.8%), it was not necessary to rank the plans for the purpose of choosing the best plans to recommend. With minor adjustments, all the plans were in compliance with applicable laws, rules, and regulations, and all were suitable to be recommended to the General Assembly as Electing Counties.

State law (NCGS 108A-27 e) requires that a county that desires to be redesignated shall submit a request in writing to the Department at least six months prior to the effective date of the next State Plan. The six-month deadline for the current proposed State Plan was April 1, 2003.

Two of the initial eleven counties that submitted Electing Plans, Catawba and Surry, withdrew their requests to be designated as Electing Counties. The remaining nine counties recommended to be Electing are: Beaufort, Caldwell, Iredell, Lenoir, Lincoln, Macon, McDowell, Sampson, and Wilkes.

Funding for all counties is specified in the State law. For Electing Counties, block grants are based on the percentage of each county's total AFDC and JOBS expenditures to statewide actual expenditures in 1995-96. For cash assistance, the resulting percentage is applied to the total budgeted funds for cash assistance for each year. One quarter of the State funds contained in county block grants to Electing Counties will be transmitted to them at the beginning of each quarter.

Electing Counties' eligibility criteria and processes, where available, are described on the following pages. Many Electing Counties chose to follow some of the Standard County rules. When and if Electing County rules change to be the same as those of Standard Counties, no State Plan amendment will be submitted. If changes other than to conform to Standard County rules are made, an amended State Plan will be submitted. Unless outlined on the following pages, the Electing County is following the Standard County rules.

Beaufort:

1. Families must repay Benefit Diversion if they apply for WFFA during the next 12 months.
2. There is no exception to family cap policy for a child born to a minor mother.
3. A child or parent may be temporarily absent from the home only for documented medical treatment, or for up to 30 days to visit another relative.
4. SSI is counted as income.
5. Applicants must cooperate with Child Support prior to making an application for WFFA.
6. Failure to cooperate with Child Support results in termination or denial.
7. Families are ineligible for 3 months for quitting a job, voluntarily reducing hours or pay, or engaging in behavior that will result in firing without good cause.
8. Case is ineligible for one month following termination for failure to complete a review, update an MRA, or return a completed quarterly report.
9. Pay after performance after three months for all cases, not just two parent cases.
10. Applicant will be responsible for all verifications needed to complete application. Failure to provide verification will result in denial of application.
11. Home visit required prior to approval of application.
12. Eliminate all reopens. Family must reapply if terminated for any reason.

Caldwell:

1. Benefit Diversion must be repaid if the recipient applies is approved for Work First within 12 months following the certification period.
2. Applications will be denied if applicant does not comply with a signed MRA.
3. Two no shows for transportation results in termination of WFFA.
4. Failure to complete a parent training class without good cause will result in deleting the client's needs and appointing a protective payee.
5. Upon notification of non-cooperation with child support enforcement the case is terminated, unless there is good cause.
6. Failure to attend the Success for Families at Risk meeting will result in case termination, unless there is good cause. A minimum of one month of ineligibility will result. Future eligibility is contingent upon attendance at Success for Families at Risk staffing prior to case approval.
7. All Work First applicants and recipients referred to Vocational Rehabilitation must complete the application and comply with all recommendations. Failure to comply without good cause will result in the case being denied or terminated. Future eligibility is contingent upon completing application and cooperating with Vocational Rehabilitation.
8. Failure to successfully complete economic literacy training without good cause will result in the case being terminated. Future eligibility is contingent upon completion of economic literacy training.
9. If both quarterly reporting deadlines are missed without good cause, there will be one month of ineligibility.
10. Failure to attend education classes if not a high school graduate will result in a first sanction if it is within the first three months after application and if they have not had one. Future non-compliance will result in pay-after-performance payment status.
11. MRA sanctions are only applied during the first three months of eligibility. Sanction is a 50% reduction in payment.
12. Job quit, or firing with cause, will result in case termination for one month.

13. When referred, all adult recipients must go to family planning education through the local health department. Failure to do so will result in the case being terminated.
14. All Two parent applicants are automatically offered Benefit Diversion.

Iredell:

1. Benefit Diversion income will be compared to 185% of need standard instead of payment standard.
2. Children must be age 17 or younger
3. Self-employment income – Iredell County will average the last two months of income or the number of months in operation.
4. Count SSI as income.
5. If the payment is \$50 or less, the case will be ineligible.
6. Income is excluded for three months after beginning employment.
7. Pay after performance for all mandatory work cases, after three months.
8. Value of vehicles in excess of \$10,000 is countable as a resource.
9. The only other countable resources are liquid assets defined as cash on hand, savings accounts, that portion of a checking account not used for monthly expenses, and equity in real property not used as homesite (one acre – rural, one lot – city).
10. Failure to cooperate with the child support results in denial of applications.
11. Mandatory recipients must be in compliance with the terms of MRA-B within 12 days of date of application or the application will be denied.
12. Applications will be denied if Child Support registration is not verified; or if mental health, or family violence screenings have not been completed.
13. First [MRA]Sanction – Termination of cash assistance for at least one month or until in compliance. If sanction was for failure to perform employment components, the case will be pay-after-performance if they reapply.
14. Job Quit: Termination of case for three months or until cured.
15. Applications will be processed within 30 days.

Lenoir:

1. Newborns of a minor mother are included in the Family Cap Rule.
2. A child or parent may be temporarily absent from the home up to 12 months for medical treatment.
3. A child or parent may be temporarily absent from the home no more than 30 days for all reasons other than to receive medical treatment.
4. Applicants, excluding intact families, must cooperate with the Child Support Program before applying for WFFA.
5. The family is not eligible for WFFA benefits if the parent or caretaker fails to cooperate with the Child Support Program.
6. Failure to attend the Success For Families Team meeting, if required, without good cause will result in termination of WFFA and at least one month of ineligibility. Future eligibility is contingent upon attendance at the Success For Families Team meeting.
7. Participants who have 3 "No shows" in one month for agency arranged transportation are ineligible for transportation services for a period of one month. A second occurrence of 3 "no shows" in one month will result in 3 months of ineligibility for transportation services.
8. Family is ineligible for one month for failure to submit a quarterly report.
9. The family is not eligible for a period of three months if the parent quits a job or WFE

work-experience placement, abandons a job or WFE work-experience placement, or voluntarily reduces work hours or rate of pay without good cause.

10. All parents and caretakers are required to complete the agency's Parent Support Course. Failure to complete the course without good cause will result in removal of parent's needs from the WFFA budget and establishment of a protective payee for the parent or caretaker relative.
11. All Work First families with an able-bodied adult under age 65 years are subject to Pay-After-Performance after three months of receiving a Work First payment or Benefit Diversion. Single-parent families are not in Pay-After-Performance for months in which the parent is incapacitated or the parent was exempted for having a child under age one year (S code).

Lincoln:

Lincoln County eligibility requirements are the same as for Standard counties.

Macon:

1. The following relatives meet the kinship rule: parent, including a natural mother or father, a legal father, or adoptive parent, after the issuance of the final order; brother, sister, including half brothers and sisters; grandparent; uncle or aunt; stepparent.
2. A relative who meets the above relationships must be included in the case with the child, unless they are an SSI recipient.
3. The budget unit includes everyone who lives in the household with the family.
4. Changes in income will only affect a change in the household budget quarterly, either by review or by quarterly report.
5. Resources will be limited to \$2000.
6. Up to \$4650 fair market value in one vehicle will be excluded as a resource. Fair market value of all other vehicles will count as a resource.
7. A house or mobile home and up to one contiguous acre (county) or one lot (city) where they are living and one burial space per budget unit member are excluded as resources.
8. MRA sanctions:
 - First Sanction: 25% reduction of payment for 3 months
 - Second Sanction: Ineligibility for WFFA for 3 months
 - Third Sanction: Ineligibility for WFFA for 6 months
9. Refusal of a job or quitting or losing a job without good cause will result in denial/termination of the Work First assistance unit for 3 months the first time and 6 months the second time.
10. Child only cases will be certified for one year.

McDowell:

1. If a case is denied for failure to complete the application interview after two (2) missed appointments have been made (without good cause) with cash or employment, the client cannot reapply for two (2) consecutive calendar months beginning the month following the month of denial.
2. The CASAS test is an eligibility requirement for applicants who do not have a high school diploma or a GED.
3. Specified relatives in Child Only cases will be required to comply with the policy outlined in Section 104B of the Work First Manual, Substance Abuse/Mental Health

Initiative, as a condition of eligibility.

4. Applicants who have committed fraud while receiving benefits previously shall agree to a home visit after meeting with employment services social workers, but before an actual application for cash benefits is signed. The actual application date will be protected and Medicaid will be processed immediately.
5. All applicants must agree at the initial time of application to one or more in-home visits by a DSS staff member. Any applicant refusing to agree to this requirement will be denied for Work First cash assistance. The applicant must also agree to in home visits after approval as deemed necessary by the DSS worker making the visits. (Failure to comply at that point will cause sanctions according to current state policy guidelines.

Sampson:

1. Relatives that meet kinship requirement must have legal custody or guardianship to apply for children but will be included in the payment with the exception of cases when the children are involved with CPS (Children Protective Services) as a result of neglect or abuse and placed in custody of a relative by the parent and/or by CPS.
2. There is no exemption from the family cap for children of minor parents.
3. Temporary absence exceeding 30 days is allowable only for documented medical treatment.
4. Unemployment Benefits (UIB) will be evaluated for eligibility on the payment standard versus the need standard.
5. Lump sum payments count as income. Still calculate periods of ineligibility.
6. A \$225 standard deduction is taken from earned income, instead of the standard 27.5%.
7. If a recipient/applicant quits a job or is fired without good cause, the applicant will be ineligible for three months.
8. All reviews will be done every 6 months, including child-only cases.
9. Families who fail to complete review will be ineligible for 3 months.
10. Children who are not attending school or GED classes are ineligible for cash assistance.
11. If a client is a parent in another case (active or inactive), he/she must cooperate with Child Support in all cases that he/she is connected with. Failure to do so will result in same penalties currently imposed at application and ongoing cases.
12. No administrative reopens.

Wilkes:

1. Count SSI as income.
2. Applicants must cooperate with child support within 10 days or application is denied.
3. Sanctions:
 - First sanction: \$100 reduction for three months. (or at least 25% for IV-D Sanction)
 - Second Sanction: Family ineligible for three months.
 - Third Sanction: Family ineligible for 12 months.

APPENDIX E

WORK OVER WELFARE IN CABARRUS COUNTY

In legislation signed by the Governor on August 10, 2001 (S.L. 2001-354), the North Carolina General Assembly provided for the continuation of the Work Over Welfare (WOW) Program in Cabarrus County as a demonstration welfare reform program for certain Work First and Food Stamp recipients through September 30, 2003.

Except as described below, Work First in Cabarrus County operates under the standard policies described in the State TANF Plan.

The Cabarrus County WOW Program provides job opportunities to all able-bodied Work First and Food Stamp recipients who are required to participate in Work First Employment Services.

WOW is primarily a wage-supplementation program that diverts the Work First benefits and the cash value of Food Stamp benefits that would be paid to recipients to match employer funds and subsidize the recipients' wages.

Wages paid to WOW participants, which contain grant-diverted funds, are exempt from income for purpose of determining eligibility for assistance.

Participants are subject to termination of Work First benefits for the household the month following any month in which they fail to comply with participation requirements. Benefits are restored after the client agrees to comply with requirements and files a new application.

To ensure that children are not harmed, sanctioned households are monitored by social workers, and benefits may be paid directly to vendors for basic needs. This period of social worker monitoring shall not exceed three months from the date of termination.

All individuals will be evaluated for ongoing Medicaid any time Work First terminates.

A recipient who voluntarily terminates employment without good cause will be ineligible for Work First until the individual returns to work, provided work opportunities are available.

Failure or refusal to pursue child support without good cause is grounds for denial of benefits.

Benefit Diversion payments will be made in amounts up to one thousand two hundred dollars (\$1,200). Applicants receiving the diversion payment will not be eligible for ongoing Work First benefits for a period of three months from the date of receipt of the diversion payment. Individuals receiving a diversion payment must attend budgetary counseling and may be required to have a protective payee for the diversion payment.

APPENDIX F

SERVICES FUNDED UNDER AFDC-EA

North Carolina will continue to provide services to families as approved under Parts A and F of Title IV of the Social Security Act as in effect on September 30, 1995. North Carolina defined a comprehensive services program under the AFDC-EA service component and intends to continue to fund these services. Only federal TANF funds will be used under this provision.

Specifically, the services listed in the plan will be provided to families or children who are experiencing an emergency as defined in the plan and who do not have sufficient resources to alleviate the emergency. Services specifically include all child welfare services (e.g., child protection, preventive family services, family preservation, foster care and adoption services including foster care payments. Residential and emergency placement services can also be funded through this provision.

The approved plan that was in effect on September 30, 1995, is included on the following three pages for reference.

SECTION 3 EMERGENCY ASSISTANCE TO NEEDY FAMILIES WITH CHILDREN

Citations:

233.120

- A. Emergency assistance to needy families with children under the age of 21 is provided in accordance with 45 CFR 233.120.

- () No (Paragraphs B. - D of this Section do not apply.)
(x) Yes, as specified below:

Emergency Assistance shall be provided to or on behalf of a needy child under the age of 21, the specified relative of the needy child, and any other member of the household in which he is living. The needy child under the age of 21 who is within the specified degree of relationship must be living with the specified relative or have lived with the specified relative within six months prior to the month in which Emergency Assistance is requested.

- B. Families of migrant workers are covered.

- () No.
(x) Yes, on Statewide basis.
() Yes, but only in the following areas of the State:

- C. Other eligibility requirements are in effect.

- () No.
(x) Yes, as specified below.

1. To be eligible for AFDC-Emergency Assistance, the applicant family must be without resources available to pay for what is needed to alleviate the emergency.
2. An individual who is an illegal alien is not eligible for AFDC-Emergency Assistance.

- D. The kinds of emergency situations which are covered by this program and the kinds of assistance and services provided to meet the emergency situations are detailed in Attachment 3-A.

EMERGENCY ASSISTANCE TO NEEDY FAMILIES WITH CHILDREN

Citations:
233.120

A. Kinds of emergencies covered.

1. a crisis situation resulting from a catastrophic illness
2. substantial loss of shelter, food, clothing or household furnishings due to fire, flood, or similar natural or man-made disaster, or a crime of violence
3. emergency situation over which there was no control and which left the family homeless or in immediate danger of eviction or foreclosure
4. a situation in which Emergency Assistance is necessary to avoid destitution of the needy child or to provide shelter for the child
5. emergency situation which could lead to destitution and the destitution or need for a living arrangement did not arise because the child or a specified relative refused, without good cause, to accept employment or training for employment
6. mass emergencies
7. loss of a relative who has been responsible for support and/or care of one of his family members
8. abuse, neglect, or dependency of children
9. situation in which a child is at risk of removal from the home
10. situation in which return to the home of a child who is currently separated from his family may create an emergency.

B. A heating or cooling-related emergency shall not be covered.

C. Kinds of assistance provided to meet emergency situations.

1. Cash assistance up to a maximum of \$300 to alleviate the emergency by meeting basic needs for families whose total net income is at or below 110% of the current poverty level and total countable reserve is at or below \$2,200. (Liquid assets must be at or below \$300.) Basic needs include:
 - (a) temporary shelter, food, and clothing;
 - (b) transportation;
 - (c) home repairs such as repair of frozen pipes and plastic covering for windows;
 - (d) replacement or repair, when appropriate, of necessary appliances, household items, or furniture;
 - (e) outpatient medical services such as prescriptions, eyeglasses, and doctor visits if the expense is not covered by the Medicaid Program, or the individual needing the care is either not receiving or is ineligible for Medicaid;
 - (f) In-kind goods such as clothing, blankets, food:

Citations:
233.120

2. In-Home Services including Assessment; Case Management/Service Planning and Coordination; Counseling and Treatment Services; Family Support/Family Preservation; Day Support Services; and Psycho-Educational Services.
3. Out-of-Home Services, including Residential Placement; Care and Treatment in a Family Setting; and Care and Treatment in a Group Setting.
4. Other Services, including Consultation and Education; Other Child Welfare Services; and, Transportation.

NOTE: The above assistance must be authorized within a single 30 day period no less than 12 months after the beginning of the family's last EA authorization period and are limited to a maximum duration of 364 days.

APPENDIX G

SUMMARY OF COMMENTS RECEIVED

The Draft State TANF Plan was available for public comment for 45 days with comments due by March 27, 2003. Legal notice of the public comment period was published in several newspapers that together are published statewide. The draft plan was available on the Internet and at the Division of Social Services.

Following is a summary of the comments sent to the North Carolina Division of Social Services regarding the Draft State TANF Plan. All comments are available in their entirety from the Division of Social Services.

Sanctions

1. We agree that just reducing a payment is not a motivator and for child support what is currently in place is our worst nightmare and that family sanctions are best. It does appear, however, that we have automation driving policy because we never could get automation to work for the current policy.
2. Pay-after-performance has worked in our county. It is a motivator for participants to do their hours in an activity or make a conscious decision not to do them and let their case close. Either way our participation rate wins. We understand there is a legitimate problem with the child support issue but once again it appears we have automation driving policy.
3. The severity of the proposed MRA sanctions, especially the second sanction, may potentially cause homelessness among many of our families. Families would not be able to pay their rent and utilities. This would place DSS in the position of either "rescuing" them to prevent homelessness or allowing the family to become homeless and then having to deal with all the issues involved. If we impose the sanction but are then forced to use other DSS funds to pay their housing costs, the sanction is basically ineffective. Social workers might be tempted not to impose needed sanctions for fear of the severity of the effects on the family's stability. The pay-after-performance method effectively motivates while preserving the stability of the family.
4. Having thoroughly considered the new sanction plan, it continues to resemble a return to the old way of doing sanctions which created a revolving door for customers to drop benefits and reapply without consideration of their responsibility to care for their family. I would urge you to reconsider using pay after performance for sanctions for all families. It resembles the world of work in that you do the work and then you get paid for it. It places responsibility on the adults and gives them the opportunity to choose how they provide for their families.
5. The revisions to the Sanction area of the plan were ill-advised. Ineligibility for Work First gives no incentive for the client to participate once sanctioned. The client will simply not work with Employment Services because there is no incentive to do so.
6. Pay After Performance is a very important part of the Work First program. I think that Pay

After Performance really places an emphasis on accepting personal responsibility. Pay After Performance really sends a message to a participant that he/she is responsible for their actions and that their action/inaction will determine whether or not the family receives a Work First payment.

7. Please do not take PAP out of the state Work First plan. At the very least, give counties the option of keeping PAP.
8. Monetary reductions in sanctions have not been effective, but Pay After Performance is. With Pay After Performance, the family has an incentive to continue participating for that month (which helps participation rates for counties) but if the family is ineligible for the month, then why would they continue participating and trying to meet hours?
9. Pay-After-Performance Sanctions work quite well and offer the family a chance to “earn” their entire check for the month. The first sanction would prohibit the family from getting a check for one month. What would be the incentive for the family to participate? They have lost their chance to redeem themselves for at least a month. The state staff explained to the Tuesday Advisory Group that the family would still be able to get “a check” at the first of the following month, however the family has lost an entire month’s cash benefits in this process.
10. The full family sanction will further hamper our ability to achieve the required participation rates each month. Currently with Pay-After-Performance the families’ check may be released at the end of the month if the family has completed the required number of hours. The family is then keyed into EPIS and their countable hours assist the county in meeting the participation rate. With the proposed Full Family Sanction no hours could be counted for these families even if they do participate. Please reconsider the use of this type of sanction.
11. I personally am very hesitant under the current plan to impose sanctions on any family who I feel will suffer from the decrease in income. The draft plan now calls for sanctions that will completely stop income from coming into a home. We will in the end spend more time and money each month helping families through a monthly crisis because they won't have a WFFA check coming in. I can tell you that if the plan passes as is, I for one will impose sanctions very, very rarely. I don't believe we are in the punishment business but rather should be in the helping business.
12. The sanction for IPV's only reduces the amount of money that goes into the household but continues to provide income to protect the stability of the family. The MRA sanction completely stops the income. Why? What message are we sending?
13. The IPV sanction still allows the family to receive a WFFA check each month. What kind of message are we sending to families?

Count SSI Income

14. We think we should count SSI income. These are some of our hardest participants to work with because the participant has this income to live on and really doesn't care if they do our activities.

Benefit Diversion

15. We think that benefit diversion should be paid back if they go on WFFA during the next 12 months.
16. We think the Benefit Diversion applicants should have to register for First Stop.

Job Quit Penalty

17. Please consider implementing a provision in the North Carolina Plan that provides for a period of ineligibility at application for families that quit jobs without good cause. A job loss/job quit penalty for applicants would strengthen the state's commitment to increasing personal responsibility. Such a policy would discourage families from quitting jobs unless/until other employment is available and thereby maintain family stability.
18. The State Plan does not have a provision of a job loss/job quit penalty for applicants. In most of the electing county plans there is some sort of job loss/job quit penalty. Speaking from experience, this has eliminated a number of applicants from quitting or refusing a job without good cause and coming in to apply for Work First. Not only is it important to keep ongoing cases from quitting or refusing jobs, but it sends a message to adults not to leave employment without good cause to come in and apply for Work First.
19. When a customer gives up a job without good cause, I believe that we should not reward them by being eligible immediately for an assistance check. I believe there should be some penalty, such as one month delay in benefits.

Reviews

20. Under Eligibility Review it states, "frequent contact is critical in ensuring success at moving families to employment. It also goes on to state, "counties are strongly encouraged to review a family's progress at least every three months." It also states, "face to face interview must be conducted and eligibility redetermination at a minimum of every 12 months." I understand the eligibility review period, but if we are going to add the statement of frequent contact in ensuring success at moving families to employment, there needs to be at least monthly contact and at least quarterly face to face contact for those receiving employment services. There should be something in there that encourages intense work with those receiving employment services because that is what we do if we are going to encourage, motivate, and help families achieve success. If this is going to be a minimum requirement, then please make a statement that each county has the option for developing their own policy on face to face contact and reviews. There should be emphasis on monitoring, reviewing, and planning with these families on work requirements, follow up, etc. We need the state's support on this.

Set the expectation for counties to work intensely with these families.

Serving Non-custodial Parents

21. There are several counties that have a non-custodial parent program with which we are working to help non-custodial parents obtain employment and pay child support. We are limited in the number of non-custodial parents that we can work with if we only are able to work with those that have a child that is a current Work First recipient child. Many of our single parent cases are now working and off cash assistance. They are not receiving child support because the non-custodial parent is not working and not taking responsibility. We need to be working with these AP's even more than ever to help the custodial parent to make ends meet. Single custodial parents earning minimum wage or higher need additional support to just make ends meet much less move from poverty to self sufficiency!

Emergency Assistance/Services

22. I suggest that, for simplicity, Emergency Assistance and 200% of poverty/Retention services be combined. You can call it all EA. Have the same reporting requirements and simplify the dilemma as to what is EA and what is 200%. It will also streamline reporting requirements and give a better chance to capture all of the assistance that counties do for those working toward independence.

First Stop

23. Seems like the time limit to register for First Stop Employment Assistance has actually been extended to 45 days instead of 12.

Family Cap

24. Because the parent is the responsible party in the child's birth couldn't the "CAP Status" be assigned to the parent? We have encountered several situations where the capped child no longer lives with the biological parent, however custody has not been transferred, nor is the biological parent deceased or disabled. The child is still experiencing deprivation, however supportive services are not available because of criteria in the current Work First Policy. The current policy states, "if a biological parent gives birth to a child ten or more months after receiving public assistance the child is identified as a capped child." The child is being held accountable for the actions of an adult. If the cap were placed on the adult the penalty would remain in place, however the child would not have to be held accountable for the actions of the parent.

Postsecondary Education

25. My final comment concerns Post Secondary Education. I would like to compliment the state for leaving this provision in the plan.

Applications/re-applications "revolving door"

26. Please try to avoid an increase in the number of applications the caseworkers have to take with the new sanction being only one month off of assistance.

Miscellaneous comments

27. We suggest Pay after performance after three months for all cases, not just two parent cases.
28. We suggest that Families be ineligible for 3 months for quitting a job, voluntarily reducing hours of pay, or engaging in behavior that result in firing without good cause.
29. Eliminate all reopens. Family must reapply if terminated for any reason.